

Department of Technology and Communications Services  
Maryland 911 Emergency Number Systems Program  
May 2001

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The County Council and County Executive  
of Howard County, Maryland

Pursuant to Section 212 of the Howard County Charter and Council Resolution 22-1985, we  
have conducted a review of selected activities of the

DEPARTMENT OF TECHNOLOGY AND COMMUNICATION SERVICES  
911 CENTER AUDIT FOR MARYLAND EMERGENCY NUMBER SYSTEMS BOARD

and our report is submitted herewith. The scope of our examination related specifically to a  
review of 911 program receipts and expenditures. The body of our report presents our findings  
and recommendations.

The contents of this report have been reviewed with the Chief Administrative Officer.  
We wish to express our gratitude to the staff at 911 Center for the cooperation and assistance  
extended to us during the course of this engagement.

Ronald S. Weinstein, C.P.A.  
County Auditor

Dilawar Lakhani, C.P.A.  
Auditor-in-Charge

## INTRODUCTION AND SCOPE OF EXAMINATION

In accordance with Article 41, Sections 18-108 (a) and 103 (h)(8) of the Annotated Code of Maryland, an annual audit is required by the State of Maryland Emergency Number Systems Board of each county's expenditures for the operation and maintenance of the 911 systems. Our office completed the required audit of the 911 Operations Center at the Department of Technology and Communications Services for the fiscal year ended June 30, 2000, and forwarded that report to the State.

Our original examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and other auditing procedures as we considered necessary. This primarily involved a review of quarterly payments and program costs, e.g., payroll, telephone, utilities and miscellaneous expenses.

We have been performing this audit for the County for eight years and each year we have problems receiving the information in a timely manner. It is the responsibility of the County to complete the required Actual Revenue and Expenditures Reports and the audit reports in accordance with State deadlines. The Actual Revenue and Expenditure Reports have not been prepared and each year we wait until the reports are submitted or corrected. This year neither the State or our Office was informed of the FY2000 audit status or deadlines. These reports and their related audit are due every year in order to continue the receipt of 911 funding. We feel it is important that the Chief of the Bureau of Communications be aware of these requirements and take appropriate actions to determine they are being performed in a timely manner. We have verbalized these issues each year to the Bureau of Communication, however, no improvement has occurred. This separate report was prepared this year to emphasize to the Administration the continuing nature of these problems and request your assistance in finding solutions. We did not feel these issues were appropriate for inclusion in the State report.

## FINDINGS AND COMMENTS

Due date to (1) name the audit agency and (2) send its audit report:

An e-mail message dated August 10, 2000, was sent by the Coordinator of the State of Maryland Emergency Number Systems Board to the Howard County Chief of the Bureau of Communications, Department of Technology and Communications Services. The e-mail stated that the county must submit an audit of 9-1-1 revenue and expenditures and the Actual Revenue and Expenditure Report to the Emergency Number Systems Board for the year ended June 30, 2000. It also requested that they be notified of the company or agency that would be conducting the audit.

The due date for sending the name of the auditors was August 24, 2000, so that the Board could send an engagement letter to the audit office. The due date for submittal of the audit report to the Board was no later than December 29, 2000. The e-mail from the State also stated that failure to provide this information could result in withholding of funds as prescribed in the Annotated Code of Maryland, Article 41, Section 18-108.

During our examination of the papers and interview with the Chief of the Bureau of Communications Services we found that our name, as auditors, was not sent to the Coordinator of the Maryland Emergency Number Systems Board. Therefore, we did not receive an audit engagement letter from the State Board to conduct the 911 audit for the fiscal year ended June 30, 2000. In addition, we were not informed of the audit due date of December 29, 2000. Because of this lack of communication the audit was not completed by that date. We also found that the Actual Revenue and Expenditure Report for fiscal year 2000 was not accurately completed or submitted to the Board. This report was due on September 29<sup>th</sup> and each year we have encountered similar issues. We, therefore, recommend that:

1. *The Chief of the Bureau of Communications should communicate in writing each year the name of the audit agency for Howard County as instructed by the Coordinator of the State of Maryland Emergency Number Systems Board the name of the audit agency for Howard County.*

### Administration's Response:

The Chief of the Bureau of Communications will communicate in writing each year to the Coordinator of the State of Maryland Emergency Number Systems Board indicating that the Office of the County Auditor is the designated audit agency for Howard County.

2. *The Chief of the Bureau of Communications should complete and send the Actual Revenue and Expenditure Report of the 911 Center to the Maryland Emergency Number Systems Board on or before September 29<sup>th</sup> or as instructed by the Board Coordinator.*

**Administration's Response:**

The Chief of the Bureau of Communications will provide an Actual Revenue and Expenditure Report of the 911 Center to the State Emergency Number Systems Board on the schedule set by the Board Coordinator.

3. *The Chief of the Bureau of Communications should communicate, in writing, the required audit due date to the County Auditor's Office and send copies of relevant documents received from the Maryland Emergency Number Systems Board to complete the annual mandated audit in accordance with Article 41, Section 18-108 of the Annotated Code of Maryland.*

**Administration's Response:**

\_\_\_\_\_ The Chief of the Bureau of Communications will inform the County Auditor's Office in writing the required audit due date and send copies of relevant documents received from the State Emergency Number Systems Board, to complete the audit in accordance with applicable provisions of State law and regulation.

**Size of the quarterly disbursement payment from the Emergency Board:**

We reviewed the receipt of quarterly disbursements from the Emergency Board. These Board disbursements consist of wired and wireless line fees collected by various telephone companies on behalf of local governments. We observed two problems in the quarterly disbursements made by the Board. The first problem was an inconsistent monthly fee collection and uneven payment size. The second problem was the late disbursement of payments that were made to the County by the Emergency Board.

The Fiscal Year 2000 monthly payments for wired line service ranged from a low of \$438.12 in February to a high of \$116,485.56 in June. The wireless collection and payments ranged from a low of \$13,904.92 in December 1999 to a high of \$45,104.59 in June 2000.

We noticed that out of four quarterly Board disbursements, the two payments for wire line service for February and April 2000 were not consistent or of similar amounts. The typical wired line monthly fee collection/payment was above \$55,000 during the year while the payments for

February and April 2000 were only \$438.12 and \$5,822.73, respectively. In addition, the wireless service payment for December 1999 amounted to only \$13,904.92 while the other monthly fee collections/payments were larger ( \$22,211.42 and above ) during the year.

We contacted the Chief of the Bureau of Communications regarding this irregularity in monthly collection/payment to the County. He contacted the Coordinator of the Board and was informed that the Board has hired an accountant who will be reviewing these amounts and dealing directly with the phone companies. We therefore recommend that:

4. ***The Chief of the Bureau of Communications review the current quarterly disbursement amount at the time it is received from the Maryland Emergency Number Systems Board and compare it with the amount received for the previous quarter.***

**Administration's Response:**

\_\_\_\_\_ The Chief of the Bureau of Communications will review revenues as and when received from the State Emergency Number Systems Board and compare them with receipts for the previous quarter.

5. ***If a large unexplained variance in payment is noted the Chief of the Bureau of Communications should contact the Maryland Emergency Number Systems Board Coordinator to determine the cause of the variance .***

**Administration's Response:**

\_\_\_\_\_ If significant variances are found in the amounts received compared with prior receipts, the Chief is to consult the State Emergency Number Systems Board to determine the cause of the variance.

**Timing of the quarterly disbursement payment from the Emergency Board:**

We reviewed the cash receipts for the quarterly disbursements from the Maryland Emergency Number Systems Board for the fiscal year ended June 30, 2000, and found that there is a time lag in receiving the quarterly disbursement payments, especially for the fourth quarter that includes the months of April, May and June. Every year the fourth quarterly payment is received by the County after the close of the fiscal year. Two payments were received in fiscal year 2000 for the fiscal year ended June 30, 1999. These payments were for the third and forth quarters of 1999 in the amounts of \$322,395.14 and \$274,589.33, respectively. This delay causes inaccurate revenue reporting for

the current fiscal year and requires an accrual by the Department of Finance at the close of the fiscal year. To determine the revenue for the year 2000, the adjustments were made by the Chief of the Bureau of Communications to arrive at the amount reported on the Actual Receipt and Expenditure Report for the Board. Late payment by the State delays the preparation and submission of this report to the Emergency Board. The due date to submit this report was September 29<sup>th</sup> while the fourth quarter payment was not received until December 7, 2000. Therefore, we recommend that:

6. *The Chief of the Bureau of Communications contact the Maryland Emergency Number Systems Board coordinator in writing 30 days after the end of the fiscal year requesting status of fourth quarter payment to the County. The Chief of the Bureau of Communication could contact other jurisdictions to determine if they are experiencing similar problems and, if so, an effort by the counties as a group may influence this State Agency to expedite its payments.*

**Administration's Response:**

\_\_\_\_\_ The Chief of the Bureau of Communications is to contact the State Emergency Number Systems Board Coordinator in writing 30 days after the end of the fiscal year to request the status of the fourth quarter payment to the County. If that payment is delayed the Chief of the Bureau of Communications is to contact other jurisdictions to determine if joint action is appropriate to facilitate payment by the Board to the local jurisdictions.

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